

★ DEC 29 2010 ★

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BROOKLYN OFFICE

NO SUMMONS ISSUED

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
UNITED STATES OF AMERICA,
ex. rel. GABRIEL RIVERA

, relator
Plaintiff,

v.

MEDICAL ARTS SANITARIUM, INC. a/k/a
CORNERSTONE OF RHINEBECK a/k/a
CORNERSTONE TREATMENT FACILITIES NETWORK

Defendant

CV No. 10-6016

MAUSKOPF, J.
CARTER, M.J.

COMPLAINT FOR DAMAGES UNDER FEDERAL FALSE CLAIMS ACT

(Filed in-camera pursuant to 31 USC §3730(b)(2))

INTRODUCTION

1. This is an action under the Federal False Claims Act, 31 USC 3729-3733, which is brought on behalf of the United States of America by Relator Gabriel Rivera.
2. As set forth in more detail below, Relator alleges that the Defendant violated the False Claims Act by bribing prospective Medicaid patients with cigarettes in violation of the Anti-Kickback statute and overbilled for client therapy sessions. Relator has served a copy of this complaint and a written disclosure on the Government pursuant to 31 USC 3730(b)(2).

JURISDICTION AND VENUE

3. This action is specifically authorized by 31 USC 3730(b). This court has subject matter jurisdiction of this matter pursuant to 31 USC 3730(b) and 28 USC 1331 and personal jurisdiction in that the Defendants reside in New York.

4. The Defendants' principal offices are located in The State of New York, County of Queens. Venue is therefore appropriate in the Eastern District of New York pursuant to 28 USC 1391(b) and 31 USC 3732.

THE PARTIES

5. Relator Gabriel Rivera ("Relator" or "Mr. Rivera") is a natural person residing in the State of New York, County of New York.
6. Relator brings this action on behalf of the United States pursuant to 31 USC 3730 (b)(1). Relator is the original source of and has direct and independent knowledge of the allegations in this Complaint.
7. Upon information and belief, Defendant Medical Arts Sanitarium, Inc. a/k/a Cornerstone of Rhinebeck a/k/a Cornerstone Treatment Facilities Network is a New York business corporation with a principal place of business at 159-05 Union Turnpike, Fresh Meadows, NY 11366.

FACTUAL BACKGROUND

8. Mr. Rivera was employed by Medical Arts Sanitarium, Inc. a/k/a Cornerstone of Rhinebeck a/k/a Medical Art Sanitarium, Inc. ("Medical Arts") as an assistant counselor for approximately 16 months until his job ended on or about May 12, 2010.
9. Medical Arts is a treatment facility for individuals with substance abuse problems. Upon information and belief, Medical Arts was reimbursed by Medicaid for the services it provided.
10. Medical Arts employed an individual named Ernest Sligh whose job it was to recruit patients for the facility.
11. Upon information and belief, Mr. Sligh would bribe individuals with cigarettes to induce them to enroll in the facility. Upon information and belief, this was done throughout the course of Mr. Rivera's employment.
12. In addition, Mr. Rivera required as an assistant counselor to record any client meeting, no matter how short, on the client's chart without indicating the length of such meeting. Upon information and belief, Medical Arts billed Medicaid on numerous occasions throughout Mr. Rivera's employment for the standard minimum length of such meetings regardless of the length of the meeting.

AS AND FOR A FIRST CAUSE OF ACTION

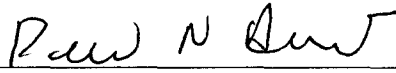
13. Relator repeat all of the above allegations, with the same force and effect as if set forth in full herein.
14. The use of cigarettes to induce patients to enroll in Medical Arts' facility violates the Federal Anti-Kickback Statute, 42 U.S.C. 1320a-7b(b)(2), which makes it illegal to " knowingly and willfully offer[] or pay[] any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind to any person to induce such person . . . to purchase, lease, order, or arrange for or recommend purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part under a Federal health care program"
14. As set forth above, Defendants knowingly presented, or caused to be presented, to the United States Government, false or fraudulent claims for payment or approval; and/or knowingly made, used, or caused to made or used, false records or statements to get false or fraudulent claims approved by the United States Government.
15. The United States Government has been damaged as a result of the foregoing.

WHEREFORE, Plaintiff United States of America, ex. rel. Gabriel Rivera, demands the judgment against the Defendant as follows:
 1. An award of money, in an amount presently indeterminable, for violation of 31 USC §3729 (a), duly trebled,
 2. The imposition of a civil penalty, payable to the United States Government, in an amount of not less than \$5,000.00, and not more than \$10,000.00.
 3. An award to Plaintiff of its costs and reasonable attorney's fees.

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4. Such other and further relief as to the Court may seem just, proper and equitable.

Dated: December 21, 2010



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